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SEVENTIETH REPORT

of the

Board of Directors

of the

Lehigh Valley Railroad Company

to the

Stockholders

For the Year Ended December 31, 1923

Lehigh Valley Railroad Company

Board of Directors

JAMES F. BELL
SAMUEL T. BODINE
MORRIS L. CLOTHIER
HENRY B. COXE
HENRY S. DRINKER
FRED M. KIRBY

EDWARD S. MOORE
DANIEL G. REID
J. WM. ROBBINS
GEORGE T. SLADE
ALFRED H. SWAYNE
HARRY C. TREXLER

EDWARD E. LOOMIS, Ex-Officio

Officers

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J. A. MIDDLETON.....VICE PRESIDENT
F. L. BLENDINGER.....VICE PRESIDENT
E. H. BOLES.....VICE PRESIDENT AND GENERAL COUNSEL
C. E. HILDUM.....VICE PRESIDENT AND COMPTROLLER
D. G. BAIRD.....SECRETARY
A. F. BAYFIELD.....TREASURER

1923

LEHIGH VALLEY RAILROAD COMPANY

Seventieth Report

PHILADELPHIA, PA., APRIL 2, 1924.

To the Stockholders of the Lehigh Valley Railroad Company:

The Board of Directors submits herewith a report of the business and condition of your Company for the year ended December 31, 1923.

INCOME

The Corporate Income for the year was as follows:

| | |
|-------------------------------------|----------------------|
| Total Operating Revenues..... | \$75,935,153.71 |
| Total Operating Expenses..... | 66,754,214.46 |
| Net Operating Revenues..... | \$9,180,939.25 |
| Railway Tax Accruals..... | \$2,323,308.09 |
| Uncollectible Railway Revenues..... | 3,935.12 |
| Equipment Rents—Net | 428,675.24 |
| Joint Facility Rents—Net..... | 148,090.59 |
| | <hr/> 2,607,818.86 |
| Net Railway Operating Income..... | \$6,573,120.39 |
| Other Income | 9,583,293.72 |
| Total Income | \$16,156,414.11 |
| Deductions from Income..... | 7,569,801.54 |
| Net Income | <hr/> \$8,586,612.57 |

PROFIT AND LOSS

| | |
|--------------------------------|-----------------------|
| Balance December 31, 1922..... | \$45,202,526.25 |
| Transferred from Income..... | 8,586,612.57 |
| Miscellaneous Items—Net | 241,137.06 |
| | <hr/> \$54,030,275.88 |
| Dividends | 4,245,749.00 |
| Balance December 31, 1923..... | <hr/> \$49,784,526.88 |

The largest business in the history of your Company was handled in 1923. Aside from the first three months, when a particularly severe winter served to increase costs and general traffic suffered because of

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LEHIGH VALLEY RAILROAD COMPANY

intensive concentration on the handling of anthracite, the year was a normal one. Factors beyond the control of the management, however, kept expenses at a high level, and revenues were affected by a nineteen-day suspension of mining at the beginning of September due to labor troubles involving the entire anthracite field. A comparative Income Statement in detail will be found on page 15.

FINANCIAL

The following obligations matured during the year and payment was provided for out of funds in the Treasury:

| | |
|--------------------------------------|-----------------|
| Collateral Trust 4% Bonds..... | \$1,000,000.00 |
| Consolidated Mortgage 4½% Bonds..... | 4,762,000.00 |
| Consolidated Mortgage 6% Bonds..... | 5,638,000.00 |
| | <hr/> |
| | \$11,400,000.00 |

At the close of the year your Company held in its Treasury the following securities of its own issue, amounting to \$21,572,000.00, no part of which is included in the unpledged securities amounting to \$16,111,252.06 shown on page 10:

| | |
|--|-----------------|
| Collateral Trust 4% Bonds..... | \$592,000.00 |
| General Consolidated Mortgage Bonds..... | 20,980,000.00 |
| | <hr/> |
| | \$21,572,000.00 |

Since September 30, 1903, the date of the General Consolidated Mortgage, expenditures of approximately \$60,000,000.00 have been made for Additions and Betterments to the property of your Company and for other capital purposes against which no new or additional securities have been issued.

Your Company has no equipment trust obligations.

The bonds of the Lehigh Valley Railroad Company and its subsidiaries, in the hands of the public, as of December 31, 1923, amounted to \$121,533,000.00, bearing an average interest rate of 4.71 per cent. This is a reduction of \$10,819,000.00, as compared with the close of the previous year, and the interest rate also shows a reduction.

ROAD AND EQUIPMENT

Expenditures for Additions and Betterments to Road and Equipment, including expenditures on subsidiary railroad properties, amounted to \$11,876,399.72, against which there were credits representing the sale or retirement of property of \$9,826,749.37, leaving a net expenditure of \$2,049,650.35.

To expedite the movement of trains and reduce the costs of handling business, additional yard tracks and other improvements were provided at Newark, Irvington, Hillside, South Plainfield, Bound Brook, Allentown, Sayre, Lodi and Buffalo. At Rochester a connection with the new Rochester subway and Industrial Switching Railroad was installed.

Freight-handling facilities were increased or improved at Pier 97, East River, New York City; National Docks, Jersey City; Wilkes-Barre, Wyalusing and Manchester.

Your Company acquired a tract of 93 acres at Hillside, adjacent to Newark, along its Irvington Branch, in a growing manufacturing section. This property is being developed for industrial sites, offering the best possible railroad facilities in a large consuming territory and an excellent labor market.

LEHIGH VALLEY RAILROAD COMPANY

Thirty new freight locomotives of the Mikado type were placed in service and at the close of the year forty more Mikado freight locomotives and ten Pacific type engines for passenger service had been ordered. In addition, 155 engines were rebuilt and 474 were given general repairs. As a result your Company closed the year with its motive power in most satisfactory condition, ready to meet all demands.

The steam locomotive and coach service operated on the Perth Amboy Branch was replaced by a gasoline-operated motor-car, affording ample accommodation for passenger travel and effecting a considerable saving in costs.

Twenty-five milk cars were ordered for use in the increasing milk traffic.

In addition to the installation of many new machines and tools in your Company's engine houses and shops, increased facilities for the better handling of repair work were provided at Lehighton, Ashmore, and Coxtan.

Work was completed on sixteen bridges on the eastern end of the railroad, referred to in the last Annual Report as being rebuilt to permit the operation of the heaviest freight engines over the entire system.

Three lighters equipped with power hoists, two covered barges, and one heater barge were added to your Company's floating equipment in New York Harbor. One new tug was purchased. Extensive repairs were made during the year to eight lighters, eight covered barges and seven grain boats.

Five semi-portable gasoline-driven tie-tamping machines were purchased.

Twenty-four modern automatic signals were installed, replacing worn out motor signals. Extensive renewals were made to two interlocking plants.

GENERAL REMARKS

The year 1923, everything considered, was a satisfactory one from a traffic and operating viewpoint. The territory traversed by your railroad enjoyed excellent business conditions and the gross revenue received was the largest in the Company's history. Traffic was handled without congestion or delay.

From a labor standpoint, 1923 stands out in strong contrast to the preceding year, your Company having a full force of employees working in close harmony with the management and producing the most satisfactory results.

Stockholders have already been informed through circular letters of the progress made in the separation of The Lehigh Valley Coal Company from the Railroad Company in accordance with the mandate of the United States Supreme Court. Trustees have been appointed to whom the stock of the Coal Company has been transferred and they have offered shares of interest in this stock to stockholders of the Railroad Company as of March 15, 1924, on the basis of one share of interest for each share of railroad stock upon payment of \$1.00 per share. Stockholders may retain their holdings in both companies until December 31, 1927, but dividends of the Coal Company may not be paid to holders of its shares of interest until they have filed an affidavit that they are not owners of Railroad Company stock. Such dividends, however, will be held for the benefit of the owner and will be paid without interest, when the proper affidavit is filed.

The first unit of Claremont Terminal, in Jersey City, directly on New York Bay, has been completed and is now in operation. All its facilities, including a warehouse with capacity for 600 cars of freight, ore unloaders, and an open dock for the handling of heavy shipments, were extensively used during the year by ocean-going steamers. The terminal, with deep water alongside, is an important contribution to the freight-handling facilities of New York Harbor.

LEHIGH VALLEY RAILROAD COMPANY

Formal transfer to the State of New Jersey of the interest of your Company in the Morris Canal and Banking Company and cancellation of the lease of the canal property was made on March 1, 1923. Under the contract negotiated with the State, as told in the 1922 Report, your Company's title to the "Big Basin" property in Jersey City, on the Hudson River, an important terminal site upon which are piers and other facilities, was permanently established. In addition, your Company retains the canal right-of-way through Jersey City and Bayonne, reaching an important industrial section, and part of the canal right-of-way at Phillipsburg, including its Delaware River terminal. By the settlement of this long standing problem your Company is relieved of taxes and maintenance of canal property for which it had no use, effecting a saving of approximately \$300,000.00 a year.

Your Company now has more than two-thirds of its line equipped with creosoted ties, 317,519 having been placed in the track in the year just closed. Preservation of the life of a tie through creosoting materially reduces expenditures for maintenance of way. The number of ties used in renewals is now considerably less than one-half of the quantity required before this practice was adopted.

Over ninety-eight miles of track were re-laid during the year with new rail, weighing 136 pounds to the yard. Fifty-five per cent. of the main line is now laid with this type of rail. Your Company has been laying 136-pound rail since 1916, and because of this, the average number of tons of new rail laid annually since then has been considerably less than the average tonnage laid annually during the twelve years prior to 1916.

The policy of keeping the freight car equipment of your Company at the best possible standard was continued and 2,135 box cars, gondolas, etc., were given heavy repairs. Since the end of Federal control your Company has practically rebuilt 22,863 of its 35,000 freight cars at a cost of more than \$12,818,000.00, of which \$11,680,000.00 has been charged to Operating Expenses. These cars are now in good condition and have as great an expectation of service life as new cars of the same type, which would have cost approximately \$43,327,000.00.

Freight claims paid during the year amounted to \$381,823.12, a decrease of \$133,923.37, as compared with the previous year—a most encouraging showing, in view of the fact that the number of cars containing merchandise handled during the year was 47,420 greater than in 1922.

Tax accruals were \$2,851,375.33, an increase of \$535,275.12 over the preceding year.

A total of 106 new industries were located in the territory served by your railroad, seventy-five of these having direct sidetrack connections. To reach the industries 15,363 feet of new track were constructed.

Mr. Charles D. Norton, a director of your Company, and a member of its Executive Committee, died March 6th, 1923. At the beginning of 1923 there was a vacancy in the Board and to fill this and the vacancy caused by the death of Mr. Norton, Messrs. Alfred H. Swayne and J. William Robbins were elected directors.

The thanks of the management are due officers and employees of this Company for their loyal service during the year.

Respectfully,

E. E. LOOMIS,

President.

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LEHIGH VALLEY RAILROAD COMPANY

Table 1

GENERAL BALANCE SHEET

| ASSETS | | |
|--|-----------------|------------------|
| INVESTMENTS: | | |
| In road.....(See Note below) | \$34,339,429.38 | |
| In equipment..... | 67,159,370.13 | \$101,498,799.51 |
| Improvements on leased railway property..... | | 1,455,360.61 |
| Miscellaneous physical property..... | | 2,093,104.40 |
| Investments in affiliated companies: | | |
| Stocks | \$61,545,258.47 | |
| Bonds | 19,955,056.00 | |
| Notes | 3,592,429.97 | |
| Advances | 22,586,493.31 | 107,679,237.75 |
| Other investments: | | |
| Stocks | \$855,366.00 | |
| Bonds | 722,871.72 | |
| Notes | 1,224.04 | |
| Miscellaneous | 9,647.00 | 1,589,108.76 |
| Total investments..... | | 214,315,611.03 |
| CURRENT ASSETS: | | |
| Cash | \$5,534,445.48 | |
| Special deposits..... | 75,837.30 | |
| Loans and bills receivable..... | 1,588.18 | |
| Traffic and car-service balances receivable..... | 768,773.33 | |
| Net balance receivable from agents and conductors..... | 1,503,884.01 | |
| Miscellaneous accounts receivable..... | 1,887,299.89 | |
| Material and supplies..... | 7,630,052.36 | |
| Interest and dividends receivable..... | 1,240,610.54 | |
| Rents receivable..... | 9,481.76 | |
| Other current assets..... | 403,132.54 | |
| Total current assets..... | | 19,055,105.39 |
| DEFERRED ASSETS: | | |
| Working fund advances..... | \$24,318.07 | |
| Insurance and other funds..... | 22,892.72 | |
| Other deferred assets..... | 767,804.09 | |
| Total deferred assets..... | | 815,014.88 |
| UNADJUSTED DEBITS: | | |
| Rents and insurance premiums paid in advance..... | \$31,406.54 | |
| Other unadjusted debits..... | 1,629,292.23 | |
| Total unadjusted debits..... | | 1,660,698.77 |
| TOTAL ASSETS..... | | \$235,846,430.07 |

NOTE:—The item Investment in Road represents only road property of Lehigh Valley Railroad Company proper (Phillipsburg, N. J., to Wilkes-Barre, Pa.). The total road and equipment investment of the system, including transportation subsidiaries, owned by your Company, is \$231,652,207.41.

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LEHIGH VALLEY RAILROAD COMPANY

DECEMBER 31, 1923

| LIABILITIES | | |
|---|------------------|------------------|
| STOCK: | | |
| Common stock..... | \$60,501,700.00 | |
| Preferred stock..... | 106,300.00 | ..... |
| Total stock outstanding..... | | \$60,608,000.00 |
| LONG-TERM DEBT: | | |
| Funded debt..... | \$125,036,000.00 | ..... |
| Less—Funded debt hld in treasury..... | 42,878,000.00 | ..... |
| Total long-term debt outstanding..... | | 82,158,000.00 |
| CURRENT LIABILITIES: | | |
| Loans and bills payable..... | \$8,000,000.00 | ..... |
| Traffic and car-service balances payable..... | 109,219.97 | ..... |
| Audited accounts and wages payable..... | 7,609,821.93 | ..... |
| Miscellaneous accounts payable..... | 175,520.46 | ..... |
| Interest matured unpaid..... | 414,599.25 | ..... |
| Dividends matured unpaid..... | 8,696.64 | ..... |
| Funded debt matured unpaid..... | 1,107,000.00 | ..... |
| Unmatured dividends declared..... | 1,061,437.25 | ..... |
| Unmatured interest accrued..... | 779,041.67 | ..... |
| Unmatured rents accrued..... | 311,512.48 | ..... |
| Other current liabilities..... | 881,353.06 | ..... |
| Total current liabilities..... | | 20,458,202.71 |
| DEFERRED LIABILITIES: | | |
| Liability for provident funds..... | \$23,672.69 | ..... |
| Other deferred liabilities..... | 534,824.67 | ..... |
| Total deferred liabilities..... | | 558,497.36 |
| UNADJUSTED CREDITS: | | |
| Tax liability..... | \$1,289,296.35 | ..... |
| Insurance and casualty reserves..... | 287,567.00 | ..... |
| Operating reserves..... | 736,478.79 | ..... |
| Accrued depreciation—Equipment..... | 19,730,549.98 | ..... |
| Other unadjusted credits..... | 175,529.65 | ..... |
| Total unadjusted credits..... | | 22,219,421.77 |
| CORPORATE SURPLUS: | | |
| Additions to property through income and surplus..... | \$59,781.35 | ..... |
| Profit | 49,784,526.88 | |
| Total corporate surplus..... | | 49,844,308.23 |
| TOTAL LIABILITIES..... | | \$235,846,430.07 |

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LEHIGH VALLEY RAILROAD COMPANY

Table 2 Statement of Securities of Affiliated Operated Companies Owned, December 31, 1923

| KIND | PAR VALUE | | |
|--|------------------------|-----------------------|------------------------|
| | PLEGDED | UNPLEGDED | TOTAL |
| STOCKS: | | | |
| Bay Shore Connecting Railroad Co..... | | \$27,900.00 | \$27,900.00 |
| Delaware, Susquehanna & Schuylkill Railroad Co..... | a | \$1,500,000.00 | 1,500,000.00 |
| Easton & Northern Railroad Co..... | b | 565,000.00 | 565,000.00 |
| Lehigh & New York Railroad Co.—Preferred..... | b | 3,346,430.00 | 3,346,430.00 |
| Lehigh & New York Railroad Co.—Common..... | b | 155,100.00 | 155,100.00 |
| Lehigh Valley Harbor Terminal Railway Co..... | b | 100,000.00 | 100,000.00 |
| Lehigh Valley Railroad Co. of New Jersey..... | b | 20,433,000.00 | 20,433,000.00 |
| Lehigh Valley Rail Way Co..... | b | 11,745,000.00 | 11,745,000.00 |
| Loyalsock Railroad Co..... | b | 825,000.00 | 825,000.00 |
| Montrose Railroad Co..... | b | 100,000.00 | 100,000.00 |
| Pennsylvania & New York Canal & Railroad Co..... | b | 1,511,550.00 | 1,511,550.00 |
| Schuylkill & Lehigh Valley Railroad Co..... | b | 2,000,000.00 | 2,000,000.00 |
| Miscellaneous | | 8,500.00 | 8,500.00 |
| Total | \$42,081,080.00 | \$236,400.00 | \$42,317,480.00 |
| BONDS: | | | |
| Easton & Northern Railroad Co., First Mortgage..... | b | \$23,000.00 | 23,000.00 |
| Easton & Northern Railroad Co., Debentures..... | | \$249,000.00 | \$249,000.00 |
| Greenville & Hudson Railway Co., First Mortgage..... | | 350,000.00 | 350,000.00 |
| Irvington Railroad Co., First Mortgage..... | | 125,000.00 | 125,000.00 |
| Lehigh-Buffalo Terminal Railway Corp'n, First Mortgage..... | c | 4,000,000.00 | 4,375,000.00 |
| Lehigh Valley Railroad Co. of New Jersey, Debentures..... | b | 3,310,000.00 | 3,310,000.00 |
| Lehigh Valley Rail Way Co., Debentures..... | b | 6,643,000.00 | 6,643,000.00 |
| Lehigh Valley Terminal Railway Co., First Mortgage..... | b | 1,000.00 | 1,000.00 |
| Loyalsock Railroad Co., Debentures..... | b | 35,000.00 | 35,000.00 |
| Middlesex Valley Railroad Co., First Mortgage..... | | 400,000.00 | 400,000.00 |
| Montrose Railroad Co., First Mortgage..... | | 100,000.00 | 100,000.00 |
| Montrose Railroad Co., Debentures..... | | 12,000.00 | 12,000.00 |
| Penna. & New York Canal & Railroad Co., Debentures..... | b | 1,640,000.00 | 1,640,000.00 |
| Rochester Southern Railroad Co., First Mortgage..... | | 425,000.00 | 425,000.00 |
| Schuylkill & Lehigh Valley Railroad Co., First Mortgage..... | | 2,000,000.00 | 2,000,000.00 |
| Schuylkill & Lehigh Valley Railroad Co., Debentures..... | b | 6,000.00 | 6,000.00 |
| Seneca County Railway, First Mortgage..... | | 500,000.00 | 500,000.00 |
| Total | \$15,657,000.00 | \$4,537,000.00 | \$20,194,000.00 |
| Grand Total | \$57,738,080.00 | \$4,773,400.00 | \$62,511,480.00 |
| Book value of the above securities..... | \$53,209,595.71 | \$4,470,832.83 | \$57,680,428.54 |

NOTE:—As the income from the operation of these properties is included in the Income Account of the Lehigh Valley Railroad Co., no dividends or interest are received on these securities.

Statement of Other Securities Owned

| KIND | PAR VALUE | | | DIVIDENDS AND INTEREST RECEIVED |
|---|-----------------|-----------------|-----------------|---------------------------------------|
| | PLEGDED | UNPLEGDED | TOTAL | |
| STOCKS: | | | | |
| Buffalo Creek Railroad Co..... | | \$125,000.00 | \$125,000.00 | \$8,750.00 |
| Coxe Bros. & Co., Incorporated..... | a | \$2,910,150.00 | 2,910,150.00 | 1,466,854.43 |
| Highland Coal Co..... | | 120,000.00 | 120,000.00 | 14,400.00 |
| Lehigh & Hudson River Railway Co..... | | 572,800.00 | 572,800.00 | 57,280.00 |
| Lehigh Valley Coal Co..... | b | 9,465,000.00 | 9,465,000.00 | 6,892,055.18 |
| National Storage Co..... | | 2,400,000.00 | 2,400,000.00 | ..... |
| New York & Middle Coal Field Railroad & Coal Co..... | | 1,216,325.00 | 1,216,325.00 | 150,000.00 |
| Philadelphia Grain Elevator Co..... | | 164,000.00 | 164,000.00 | 9,840.00 |
| Wyoming Valley Water Supply Co..... | | 1,686,900.00 | 1,686,900.00 | 75,000.00 |
| Miscellaneous | | 11,009.00 | 11,009.00 | 6,882.50 |
| Total | \$12,375,150.00 | \$6,296,034.00 | \$18,671,184.00 | \$8,681,062.11 |
| BONDS: | | | | |
| Dominion of Canada, 5½ % Victory Loan..... | | \$300,000.00 | \$300,000.00 | \$8,130.65 |
| U. S. Gov't., Liberty and Victory Loan..... | | 50,000.00 | 50,000.00 | 459.16 |
| The Virginian Railway Co., First Mortgage 5%..... | | 40,000.00 | 40,000.00 | 2,500.00 |
| Allegheny Valley Railway Co., General Mortgage 4%..... | | 16,000.00 | 16,000.00 | 1,600.00 |
| Johnstown Passenger Railway Co., Consolidated Mortgage 4%..... | | 22,000.00 | 22,000.00 | 640.00 |
| Market St. Elevated Passenger Ry. Co., First Mortgage 4%..... | | 117,000.00 | 117,000.00 | 880.00 |
| New York Short Line, First Mortgage 4%..... | | 34,000.00 | 34,000.00 | 4,113.33 |
| Phila. Rapid Transit Co., Collateral Trust 5%..... | | 46,000.00 | 46,000.00 | 1,583.33 |
| Public Service Corp'n of New Jersey, General Mortgage 5%..... | | 13,000.00 | 13,000.00 | 2,300.00 |
| Reading Co. P. & R. Coal and Iron Co., General Mortgage 4%..... | | 43,000.00 | 43,000.00 | 520.00 |
| Virginia & Southwestern Ry. Co., First Mortgage 5%..... | | 25,000.00 | 25,000.00 | 2,150.00 |
| Reading Co.—Jersey Central, Collateral Trust 4%..... | | 1,000.00 | 1,000.00 | 1,000.00 |
| Canadian Pacific Railway Co., Trust Certificates..... | | 24,000.00 | 24,000.00 | 60.00 |
| Penna. Co., 4 % Trust Certificates..... | | 26,000.00 | 26,000.00 | 1,040.00 |
| Buffalo Creek Railroad Co., First Refunding Mortgage 5%..... | | 26,000.00 | 26,000.00 | 975.00 |
| Total | | \$757,000.00 | \$757,000.00 | \$27,951.47 |
| Other Securities | | \$3,603,301.01 | \$3,603,301.01 | \$1,487.50 |
| Grand Total | \$12,375,150.00 | \$10,656,335.01 | \$23,031,485.01 | \$8,710,501.08 |
| Book value of the above securities..... | \$17,362,005.43 | \$11,639,419.23 | \$29,001,424.66 | ..... |
| a Pledged under Lehigh Valley Railroad Co. Mortgage..... | | | | |

The book value of the securities, \$86,681,853.20, is carried on the balance sheet as follows:

Investments in Affiliated Companies—Stocks, Bonds and Notes \$85,092,744.44
Other Investments—Stocks, Bonds and Miscellaneous..... 1,589,108.76

1923
LEHIGH VALLEY RAILROAD COMPANY
Statement of Funded Debt, December 31, 1923

Table 3

| DESCRIPTION | DATE OF ISSUE | DATE OF MATURITY | IN TREASURY OF THE COMPANY OR PLEDGED | IN HANDS OF THE PUBLIC | INTEREST | | |
|---|------------------|---|--|------------------------------|----------|----------------|-------------------------------|
| | | | | | RATE | PAYABLE | ACCURED DURING THE YEAR |
| LEHIGH VALLEY RAILROAD COMPANY: | | | | | | | |
| First Mortgage Bonds..... | May 15, 1868 | June 1, 1948 { Dec. 1, 1923 Perpetual } | ..... | \$5,000,000 | 4% | June and Dec. | \$200,000.00 |
| Consolidated Mortgage Bonds..... | Nov. 13, 1873 | { Dec. 1, 1923 Perpetual } | ..... | 10,062,000 | 6% | June and Dec. | 304,150.00 |
|  |  |  | ..... | 2,538,000 | 4½% | June and Dec. | 603,720.00 |
|  |  |  | ..... | 26,953,000 | 4½% | June and Dec. | 193,710.00 |
|  |  |  | ..... | 20,697,000 | 4% | May and Nov. | 114,210.00 |
|  |  |  | ..... | ..... | 4½% | May and Nov. | 1,078,120.00 |
|  |  |  | ..... | ..... | 5% | May and Nov. | 931,365.00 |
| *General Consolidated Mortgage Bonds..... | Sept. 30, 1903 | May 1, 2003 | \$12,686,000 \$11,000,000 \$26,000,000 | ..... | 4% | Feb. and Aug. | 82,456.67 |
| Collateral Trust Bonds..... | Nov. 1, 1905 | { \$500,000 semi-annually to Feb. 1, 1926 } | 592,000 | 1,908,000 | 4% | Mar. and Sept. | 900,000.00 |
| Collateral Trust Bonds (Ten-Year)..... | Aug. 31, 1918 | Sept. 1, 1928 | ..... | 15,000,000 | 6% | Feb. and Aug. | ..... |
| CONSOLIDATED REAL ESTATE COMPANY: | | | | | | | |
| First Mortgage Bonds..... | Feb. 1, 1906 | Feb. 1, 1956 | \$2,600,000 | ..... | 4% | ..... | ..... |
| Total Funded Debt and Interest..... | | | \$42,878,000 | \$82,158,000 | | | \$4,407,731.67 |

*Amount of authorized issue, \$150,000,000.
†\$1,306,000 pledged with United States Government.
‡\$4,400,000 pledged under Ten-Year 6% Collateral Trust Agreement of August 31, 1918.
§\$12,000,000 pledged under Ten-Year 6% Collateral Trust Agreement of August 31, 1918.
¶Pledged under Ten-Year 6% Collateral Trust Agreement of August 31, 1918.
‡Excludes interest on securities in the Treasury.

Table 4
Guaranties and Rentals, Year Ended December 31, 1923

| GUARANTIES | DATE OF ISSUE | DATE OF MATURITY | IN HANDS OF THE PUBLIC | GUARANTIES AND RENTALS | | |
|--|------------------|---------------------|------------------------------|------------------------|----------------|-------------------------------|
| | | | | RATE | PAYABLE | ACCURED DURING THE YEAR |
| ENTIRE CAPITAL STOCK OWNED: | | | | | | |
| Lehigh Valley Terminal Railway Co., First Mortgage Bonds..... | Oct. 1, 1891 | Oct. 1, 1941 | \$9,999,000 | 5% | April and Oct. | \$499,950.00 |
| Easton & Northern Railroad Co., First Mortgage Bonds..... | Oct. 7, 1895 | Nov. 1, 1935 | 51,000 | 4½% | May and Nov. | 2,295.00 |
| | | | 4,000,000 | 5% | April and Oct. | 200,000.00 |
| Penna. & N. Y. Canal & Railroad Co., Consolidated Mortgage Bonds.. | Nov. 13, 1888 | April 1, 1939 | 1,500,000 | 4½% | April and Oct. | 67,500.00 |
| | | | 3,000,000 | 4% | April and Oct. | 120,000.00 |
| The Lehigh Valley Rail Way Co., First Mortgage Bonds..... | June 23, 1890 | July 1, 1940 | 15,000,000 | 4½% | Jan. and July | 675,000.00 |
| Middlesex Valley Railroad Co., First Mortgage Bonds..... | Aug. 26, 1892 | Nov. 1, 1942 | 200,000 | 5% | May and Nov. | 10,000.00 |
| The Lehigh & Lake Erie Railroad Co., First Mortgage Bonds..... | Mar. 1, 1907 | Mar. 1, 1957 | 3,000,000 | 4½% | Mar. and Sept. | 135,000.00 |
| Lehigh-Buffalo Terminal Railway Corp'n, First Mortgage Bonds.... | Nov. 1, 1916 | Nov. 1, 1966 | 625,000 | 4½% | May and Nov. | 28,125.00 |
| MAJORITY CAPITAL STOCK OWNED: | | | | | | |
| Lehigh & New York Railroad Co., First Mortgage Bonds..... | Aug. 24, 1895 | Sept. 1, 1945 | 2,000,000 | 4% | Mar. and Sept. | 80,000.00 |
| Total | | | \$39,375,000 | | | \$1,817,870.00 |
| RENTALS—LINES NOT OWNED: | | | | | | |
| State Line and Sullivan Railroad Co..... | | | | | | 40,000.00 |
| Raritan Terminal and Transportation Co..... | | | | | | 2,000.00 |
| New York Central Railroad Co..... | | | | | | 11,100.68 |
| Total Interest and Rentals..... | | | | | | \$1,870,970.68 |

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LEHIGH VALLEY RAILROAD COMPANY

ADDITIONS AND BETTERMENTS, ENTIRE SYSTEM, YEAR ENDED

DECEMBER 31, 1923

Table 5

| | EXPENDITURES AND CHARGES | RETIREMENTS | NET AMOUNT |
|--|--------------------------------|----------------|----------------|
| Engineering | \$28,384.23 | ..... | \$28,384.23 |
| Land for transportation purposes..... | 999,196.99 | \$551,775.15 | 447,421.84 |
| Grading | 133,697.70 | 6,684.45 | 127,013.25 |
| Bridges, trestles and culverts..... | 72,365.22 | 20,119.33 | 52,245.89 |
| Ties | 34,957.47 | 6,072.02 | 28,885.45 |
| Rails | 329,718.71 | 5,937.41 | 323,781.30 |
| Other track material..... | 221,762.38 | 3,456.64 | 218,305.74 |
| Ballast | 87,954.05 | 366.43 | 87,587.62 |
| Track laying and surfacing..... | 76,580.60 | 5,098.36 | 71,482.24 |
| Crossings and signs..... | 98,210.07 | 1,365.00 | 96,845.07 |
| Station and office buildings..... | 327,183.67 | 34,624.88 | 292,558.79 |
| Roadway buildings..... | 16,542.16 | 12,619.00 | 3,923.16 |
| Water stations..... | 15,010.29 | 2,850.00 | 12,160.29 |
| Fuel stations..... | 16,558.59 | 3,607.90 | 12,950.69 |
| Shops and engine houses..... | 30,001.08 | 853.92 | 29,147.16 |
| Grain elevators..... | 924.80 | ..... | 924.80 |
| Wharves and docks..... | 16,524.12 | 529,695.27 | 513,171.15 |
| Coal and ore wharves..... | 26,538.70 | ..... | 26,538.70 |
| Telegraph and telephone lines..... | 1,250.49 | ..... | 1,250.49 |
| Signals and interlockers..... | 8,404.06 | 355.80 | 8,048.26 |
| Power plant buildings..... | 10,093.73 | ..... | 10,093.73 |
| Power substation buildings..... | ..... | 779.42 | 779.42 |
| Power transmission systems..... | ..... | 356.93 | 356.93 |
| Power distribution systems..... | 3,206.19 | 671.00 | 2,535.19 |
| Power line poles and fixtures..... | 941.10 | ..... | 941.10 |
| Roadway machines..... | 35,274.78 | ..... | 35,274.78 |
| Assessments for public improvements..... | 87,592.73 | ..... | 87,592.73 |
| Shop machinery..... | 23,632.30 | 2,355.00 | 21,277.30 |
| Power plant machinery..... | 9,012.08 | 5,013.89 | 3,998.19 |
| Power substation apparatus..... | 13,501.14 | ..... | 13,501.14 |
| Steam locomotives..... | 7,956,218.57 | 3,805,335.36 | 4,150,883.21 |
| Freight train cars..... | 230,463.72 | 4,165,933.78 | 3,935,470.06 |
| Passenger train cars..... | 17,284.07 | 269,989.23 | 252,705.16 |
| Floating equipment..... | 574,329.57 | 316,172.69 | 258,156.88 |
| Work equipment..... | 363,355.25 | 72,510.51 | 290,844.74 |
| Miscellaneous equipment..... | 1,950.00 | 2,150.00 | 200.00 |
| General expenditures..... | 7,779.11 | | 7,779.11 |
| Total | \$11,876,399.72 | \$9,826,749.37 | \$2,049,650.35 |

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LEHIGH VALLEY RAILROAD COMPANY

EQUIPMENT (ENTIRE SYSTEM) AS OF DECEMBER 31, 1923

Table 6

| | | |
|-------------------------------------|--|------------|
| LOCOMOTIVES: | | 983 |
| Tractive power (pounds)..... | | 39,586,576 |
| PASSENGER EQUIPMENT: | | |
| Passenger | | 231 |
| Combined passenger and baggage..... | | 47 |
| Combined baggage and mail..... | | 18 |
| Baggage and express..... | | 192 |
| Dining | | 12 |
| Kitchen | | 1 |
| Library buffet..... | | 3 |
| Postal | | 3 |
| Milk | | 135 |
| Total | | 642 |
| FREIGHT EQUIPMENT: | | |
| Box | | 11,682 |
| Coal | | 14,939 |
| Gondola | | 2,886 |
| Flat | | 35 |
| Refrigerator | | 1,195 |
| Automobile | | 1,741 |
| Ice | | 275 |
| Well | | 9 |
| Gun and armor..... | | 4 |
| Set of gun and armor trucks..... | | 1 |
| Cabooses | | 487 |
| Total | | 33,254 |
| WORK EQUIPMENT: | | |
| Air-brake instruction..... | | 1 |
| Air-dump | | 100 |
| Ash | | 796 |
| Box | | 1 |
| Coal | | 20 |
| Derrick | | 39 |
| Flat | | 51 |
| Gondola | | 354 |
| Grading | | 15 |
| Hospital | | 2 |
| Locomotive cranes..... | | 45 |
| Motor | | 4 |
| Official | | 6 |
| Pile driver..... | | 2 |
| Pole | | 4 |
| Scale-test | | 3 |
| Snow flangers..... | | 20 |
| Snow plows..... | | 10 |
| Spreader | | 4 |
| Steam shovels..... | | 3 |
| Tank | | 3 |
| Tool | | 36 |
| Tunnel | | 4 |
| Unloader | | 1 |
| Workmen's | | 336 |
| Total | | 1,860 |
| FLOATING EQUIPMENT: | | |
| Tugs | | 14 |
| Steam lighters..... | | 5 |
| Barges | | 191 |
| Car floats..... | | 33 |
| Service boats..... | | 7 |
| Total | | 250 |

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LEHIGH VALLEY RAILROAD COMPANY

MILEAGE OF ROAD AND TRACK OPERATED, DECEMBER 31, 1923

By Corporate Ownership

Table 7

| | MILES OF ROAD | SECOND TRACK MILES | THIRD TRACK MILES | FOURTH TRACK MILES | INDUS- TRIAL TRACK MILES | YARD TRACKS & SIDINGS MILES | TOTAL TRACK MILES |
|---|---------------------|--------------------------|-------------------------|--------------------------|-----------------------------------|--------------------------------------|-------------------------|
| LEHIGH VALLEY RAILROAD COMPANY..... | 278.72 | 186.99 | 43.79 | 29.99 | 114.46 | 255.81 | 909.76 |
| CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK: | | | | | | | |
| Lehigh Valley Railroad Company of New Jersey..... | 120.78 | 92.08 | 37.85 | 13.07 | 49.42 | 240.01 | 553.21 |
| Pennsylvania and New York Canal and Railroad Com- pany | 123.48 | 98.00 | 4.78 | 2.03 | 53.67 | 184.80 | 466.76 |
| The Lehigh Valley Rail Way Company..... | 514.90 | 197.50 | 15.82 | ..... | 32.63 | 311.25 | 1,072.10 |
| The Delaware, Susquehanna and Schuylkill Rail Road Company | 18.73 | ..... | ..... | ..... | 13.12 | 3.92 | 35.77 |
| Easton & Northern Railroad Company..... | 12.78 | ..... | ..... | ..... | 4.43 | 1.16 | 18.37 |
| The Schuylkill and Lehigh Valley Railroad Company. | 41.84 | ..... | ..... | ..... | 3.08 | 5.15 | 50.07 |
| Loyalsock Railroad Company..... | 44.95 | ..... | ..... | ..... | 8.17 | 5.43 | 58.55 |
| Montrose Railroad Company..... | 27.36 | ..... | ..... | ..... | 1.53 | 2.26 | 31.15 |
| National Storage Company..... | ..... | ..... | ..... | ..... | .76 | 8.04 | 8.80 |
| Lehigh Valley Harbor Terminal Railway Company... | ..... | ..... | ..... | ..... | ..... | 10.88 | 10.88 |
| Total | 904.82 | 387.58 | 58.45 | 15.10 | 166.81 | 772.90 | 2,305.66 |
| CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK AND LEASE: | | | | | | | |
| Lehigh and New York Railroad Company..... | 115.37 | ..... | ..... | ..... | 7.59 | 31.87 | 154.83 |
| OPERATED UNDER LEASE: | | | | | | | |
| State Line and Sullivan Railroad Company..... | 24.03 | ..... | ..... | ..... | 1.00 | 2.68 | 27.71 |
| Haytts Corners, Ovid and Willard Railroad Company. | 2.98 | ..... | ..... | ..... | .20 | ..... | 3.18 |
| New York Central Railroad Company..... | ..... | ..... | ..... | ..... | ..... | 12.65 | 12.65 |
| Raritan Terminal and Transportation Company..... | ..... | ..... | ..... | ..... | .60 | ..... | .60 |
| Total | 27.01 | ..... | ..... | ..... | 1.80 | 15.33 | 44.14 |
| TRACKAGE RIGHTS: | | | | | | | |
| Pennsylvania Railroad Company..... | 20.14 | 18.30 | ..... | ..... | ..... | ..... | 38.44 |
| Peoples Railway Company..... | 3.47 | ..... | ..... | ..... | ..... | ..... | 3.47 |
| Delaware and Hudson Company..... | 1.67 | 1.61 | ..... | ..... | ..... | .66 | 3.94 |
| Erie and Wyoming Valley Railroad Company..... | .88 | ..... | ..... | ..... | ..... | ..... | .88 |
| Lehigh and New England Railroad Company..... | .44 | ..... | ..... | ..... | .74 | ..... | 1.18 |
| Susquehanna and New York Railroad Company.... | 4.01 | ..... | ..... | ..... | ..... | ..... | 4.01 |
| Lehigh and Wilkes-Barre Coal Company..... | ..... | ..... | ..... | ..... | 1.00 | ..... | 1.00 |
| Mountain Spring Water Ice Company..... | ..... | ..... | ..... | ..... | .84 | ..... | .84 |
| John C. Haddock Estate..... | ..... | ..... | ..... | ..... | .50 | ..... | .50 |
| Middle Lehigh Coal Company..... | ..... | ..... | ..... | ..... | 2.42 | ..... | 2.42 |
| Central Railroad Company of New Jersey..... | .08 | ..... | ..... | ..... | ..... | ..... | .08 |
| New York, Ontario and Western Railroad Company. | .10 | ..... | ..... | ..... | ..... | ..... | .10 |
| Western New York and Pennsylvania Railway Com- pany | .34 | ..... | ..... | ..... | ..... | ..... | .34 |
| Erie Railroad Company..... | ..... | ..... | ..... | ..... | ..... | 1.52 | 1.52 |
| New York Central Railroad Company..... | 17.10 | 14.29 | ..... | ..... | 8.25 | ..... | 39.64 |
| Total | 48.23 | 34.20 | ..... | ..... | 13.75 | 2.18 | 98.36 |
| Grand Total..... | 1,374.15 | 608.77 | 102.24 | 45.09 | 304.41 | 1,078.09 | 3,512.75 |
| MILEAGE BY STATES: | | | | | | | |
| Pennsylvania | 584.23 | 286.55 | 48.57 | 32.02 | 204.96 | 461.82 | 1,618.15 |
| New York..... | 651.99 | 212.99 | 15.82 | ..... | 48.73 | 358.64 | 1,288.17 |
| New Jersey..... | 137.93 | 109.23 | 37.85 | 13.07 | 50.72 | 257.63 | 606.43 |
| Total | 1,374.15 | 608.77 | 102.24 | 45.09 | 304.41 | 1,078.09 | 3,512.75 |

NOTE:—Adjustment in "Miles of Road" results from transfer of certain tracks to "Industrial Track Miles" in accordance with I. C. C. requirements.

1923

LEHIGH VALLEY RAILROAD COMPANY

INCOME STATEMENT

For the Years Ended December 31, 1923 and 1922

Table 8

| AVERAGE MILES OF ROAD OPERATED..... | 1923 | PER CENT. OF OPERATING REVENUES | 1922 | PER CENT. OF OPERATING REVENUES | INCREASE | DECREASE |
|---|-----------------|---------------------------------------|-----------------|---------------------------------------|-----------------|--------------|
| OPERATING REVENUES: | 1,373.72 | | 1,373.32 | | .40 | |
| Anthracite coal freight revenue..... | \$26,392,972.46 | 35 | \$15,425,979.81 | 25 | \$10,966,992.65 | |
| Bituminous coal freight revenue..... | 2,233,608.20 | 3 | 1,907,568.20 | 3 | 326,039.91 | |
| Merchandise freight revenue..... | 34,496,240.64 | 45 | 33,270,173.38 | 53 | 1,217,067.16 | |
| Passenger revenue..... | 7,406,345.22 | 10 | 7,322,954.06 | 11 | 383,391.86 | |
| Mail revenue..... | 238,641.53 | — | 1,110,438.29 | — | 156,724.85 | \$11,796.76 |
| Express revenue..... | 137,042.17 | 2 | 1,213,696.34 | 2 | 33,887.75 | |
| Other transportation revenue..... | 2,661,686.49 | 4 | 2,307,798.74 | 4 | 123,957.17 | |
| Incidental revenue..... | 1,075,236.68 | 1 | 951,279.31 | 2 | | |
| Total Operating Revenues..... | \$75,935,153.71 | 100 | \$62,418,889.12 | 100 | \$13,516,264.59 | |
| OPERATING EXPENSES: | | | | | | |
| Maintenance of way and structures..... | \$7,812,892.90 | 10 | \$7,070,757.44 | 11 | \$742,135.46 | |
| Maintenance of equipment..... | 23,762,226.82 | 31 | 19,759,604.40 | 32 | 4,002,622.42 | |
| Traffic expenses..... | 1,176,966.49 | 2 | 1,241,057.48 | 2 | | \$64,090.99 |
| Transportation expenses..... | 32,140,661.48 | 42 | 29,152,785.75 | 47 | 2,987,875.73 | |
| Miscellaneous operations..... | 302,706.81 | 1 | 293,004.80 | 1 | 9,702.01 | |
| General expenses..... | 1,563,962.51 | 2 | 1,514,444.55 | 2 | 49,517.96 | |
| Transportation for investment—Ct..... | 5,202.55 | — | 7,713.99 | — | 2,511.44 | |
| Total Operating Expenses..... | \$66,754,214.46 | 88 | \$59,023,940.43 | 95 | \$7,730,274.03 | |
| NET OPERATING REVENUE..... | \$9,180,939.25 | | \$3,394,948.69 | | \$5,785,990.56 | |
| DEDUCTIONS FROM REVENUE..... | | | | | | |
| Railway tax accruals..... | \$2,423,308.09 | | \$1,993,215.91 | | \$330,092.18 | |
| Uncollectible railway revenues..... | 3,935.12 | | 7,265.66 | | 11,200.78 | |
| Equipment rents—net..... | 428,675.24 | | 1,066,941.40 | | 99,926.99 | \$638,266.16 |
| Joint facility rents—net..... | 148,099.59 | | 248,026.58 | | | |
| NET RAILWAY OPERATING INCOME..... | \$6,573,120.39 | | \$590,083.62 | | \$5,983,036.77 | |
| OTHER INCOME: | | | | | | |
| Misc. non-operating physical property..... | \$297,999.71 | | \$399,099.64 | | | \$101,099.93 |
| Separately operated properties—profit..... | 5,158.50 | | 232,430.54 | | | 227,272.04 |
| Dividend income..... | 8,681,062.11 | | 3,081,921.70 | | \$5,599,140.41 | |
| Income from funded securities..... | 29,438.97 | | 346,406.59 | | | 316,967.62 |
| Income from unfunded securities and accounts..... | 233,061.13 | | 674,021.84 | | | 440,960.71 |
| Miscellaneous income..... | 336,573.30 | | 98,760.38 | | 237,812.92 | |
| Total Other Income..... | \$9,583,293.72 | | \$4,832,640.69 | | \$4,750,653.03 | |
| Total Income..... | \$16,156,414.11 | | \$5,422,724.31 | | \$10,733,689.80 | |
| DEDUCTIONS FROM INCOME: | | | | | | |
| Rent for leased roads..... | \$1,870,970.68 | | \$1,939,802.04 | | | \$68,831.36 |
| Miscellaneous rents..... | 315,892.98 | | 331,405.70 | | | 15,512.72 |
| Miscellaneous tax accruals..... | 528,067.24 | | 322,884.30 | | \$205,182.94 | |
| Interest on funded debt..... | 4,407,731.67 | | 4,483,531.66 | | | 75,799.99 |
| Interest on unfunded debt..... | 115,066.49 | | 51,029.60 | | 64,036.89 | |
| Miscellaneous income charges..... | 332,072.48 | | 285,317.55 | | 46,754.93 | |
| Total Deductions from Income..... | \$7,569,801.54 | | \$7,413,970.85 | | \$155,830.69 | |
| Net Income..... | \$8,586,612.57 | | \$1,991,246.54 | | \$10,577,859.11 | |

1923

LEHIGH VALLEY RAILROAD COMPANY

Operating Revenues and Expenses, by Months, for the Year Ended December 31, 1923

RAILWAY OPERATING REVENUES

Table 9

| MONTHS | Coal Freight | Merchandise Freight | Passenger | Mail | Express | Other Passenger Train | Other Transportation | Incidental | Total RAILWAY OPERATING REVENUES |
|-----------------|-----------------|---------------------|----------------|--------------|----------------|-----------------------|----------------------|----------------|----------------------------------|
| January | \$2,457,212.66 | \$1,694,523.38 | \$554,075.21 | \$25,398.94 | \$92,935.96 | \$144,654.66 | \$65,255.85 | \$89,030.18 | \$5,123,086.84 |
| February | 2,374,535.16 | 1,453,402.86 | 486,847.70 | 24,298.16 | 104,446.45 | 133,369.09 | 58,403.57 | 72,927.66 | 4,708,230.65 |
| March | 2,699,329.63 | 2,453,121.27 | 564,722.40 | 24,191.33 | 142,749.79 | 146,775.47 | 70,408.05 | 94,929.98 | 6,196,227.92 |
| April | 2,445,629.46 | 3,036,749.96 | 561,188.35 | 24,468.23 | 122,661.38 | 160,053.63 | 70,792.62 | 96,531.10 | 6,518,074.73 |
| May | 2,612,160.88 | 3,022,617.66 | 535,668.26 | 25,023.37 | 123,709.14 | 168,490.40 | 93,995.76 | 100,454.32 | 6,682,119.79 |
| June | 2,712,804.08 | 3,155,806.17 | 680,373.97 | 24,234.59 | 113,772.37 | 180,461.17 | 83,707.74 | 99,727.91 | 7,052,888.00 |
| July | 2,592,517.35 | 3,062,301.84 | 703,427.98 | 24,147.89 | 105,779.59 | 164,936.55 | 83,493.25 | 88,493.35 | 6,825,097.80 |
| August | 2,611,770.49 | 3,136,839.64 | 787,052.30 | 25,440.66 | 92,838.79 | 144,130.71 | 71,434.25 | 82,985.25 | 6,952,492.09 |
| September | 1,080,162.68 | 3,008,162.84 | 762,797.28 | 24,087.97 | 112,973.82 | 147,443.97 | 53,811.88 | 93,803.43 | 5,283,243.87 |
| October | 2,688,123.08 | 3,819,543.27 | 590,771.59 | 23,912.99 | 134,649.14 | 138,143.78 | 78,095.15 | 83,411.30 | 7,556,650.30 |
| November | 2,268,956.99 | 3,498,470.48 | 547,615.94 | 24,038.49 | 111,608.03 | 130,092.44 | 64,831.97 | 77,570.84 | 6,723,185.18 |
| December | 2,083,378.20 | 3,154,701.27 | 631,804.94 | 29,398.91 | 110,297.33 | 142,819.09 | 66,085.44 | 95,371.36 | 6,313,856.54 |
| Total..... | \$28,626,580.66 | \$34,496,240.64 | \$7,406,345.92 | \$298,641.53 | \$1,370,421.79 | \$1,801,370.96 | \$860,315.53 | \$1,075,236.68 | \$75,935,153.71 |

RAILWAY OPERATING EXPENSES

| MONTHS | Maintenance of Way and Structures | Maintenance of Equipment | Traffic | Transportation | Miscellaneous Operations | General | Transportation for Investment—Cr. | Total RAILWAY OPERATING EXPENSES | NET REVENUE FROM RAILWAY OPERATIONS |
|-----------------|-----------------------------------|--------------------------|----------------|-----------------|--------------------------|----------------|-----------------------------------|----------------------------------|-------------------------------------|
| January | \$446,472.83 | \$2,242,222.39 | \$95,449.14 | \$2,819,037.82 | \$21,303.63 | \$127,087.65 | \$681.21 | \$5,750,892.25 | \$627,805.41 |
| February | 438,657.19 | 2,143,137.25 | 97,605.71 | 2,530,325.12 | 19,475.02 | 115,729.11 | 545.38 | 5,344,384.02 | 630,153.37 |
| March | 563,739.33 | 2,287,442.03 | 98,143.29 | 2,733,014.09 | 18,651.55 | 128,103.60 | 108.42 | 5,828,985.47 | 367,242.45 |
| April | 661,497.56 | 2,085,677.41 | 94,824.72 | 2,737,244.74 | 26,364.89 | 123,132.11 | 28.47 | 5,728,712.96 | 789,361.77 |
| May | 703,711.45 | 2,030,774.09 | 90,586.46 | 2,711,976.02 | 24,700.50 | 122,407.87 | 274.82 | 5,683,881.57 | 998,238.22 |
| June | 710,652.67 | 2,123,580.56 | 98,041.86 | 2,691,472.05 | 30,897.11 | 134,196.11 | 425.88 | 5,788,414.48 | 1,264,473.52 |
| July | 742,499.68 | 2,170,203.18 | 97,852.39 | 2,604,064.38 | 29,655.77 | 134,154.22 | 492.04 | 5,777,937.58 | 1,047,160.22 |
| August | 784,544.52 | 2,237,322.85 | 105,540.44 | 2,639,049.29 | 25,797.49 | 121,620.12 | 634.08 | 5,913,240.63 | 1,039,251.46 |
| September | 694,701.02 | 1,422,404.59 | 79,359.80 | 2,359,154.98 | 26,111.77 | 128,467.15 | 315.63 | 4,709,883.68 | 573,360.19 |
| October | 746,391.15 | 2,131,444.09 | 109,475.25 | 2,850,534.15 | 26,228.09 | 129,875.06 | 636.44 | 5,993,311.35 | 1,563,338.95 |
| November | 694,865.74 | 1,727,977.88 | 103,009.30 | 2,789,903.19 | 25,192.78 | 147,693.90 | 625.23 | 5,488,017.56 | 1,235,167.62 |
| December | 625,159.76 | 1,160,040.50 | 107,078.13 | 2,674,885.65 | 28,328.21 | 151,495.61 | 434.95 | 4,746,552.91 | 1,567,303.63 |
| Total..... | \$7,812,892.90 | \$23,762,226.82 | \$1,176,966.49 | \$32,140,661.48 | \$302,706.81 | \$1,563,962.51 | \$5,202.55 | \$66,754,214.46 | \$9,180,939.25 |

1923

LEHIGH VALLEY RAILROAD COMPANY

General Operating Results for the Years Ended December 31, 1923 and 1922

Table 10

| | 1923 | 1922 | INCREASE OR Decrease | PER CENT. |
|--|-------------|-------------|----------------------------|-----------|
| TRAIN AND LOCOMOTIVE MILEAGE | | | | |
| Revenue freight train miles..... | 6,885,555 | 5,916,196 | 969,359 | 16.38 |
| Revenue passenger train miles..... | 3,186,400 | 3,183,049 | 3,351 | .11 |
| Revenue milk and express train miles..... | 943,923 | 928,153 | 15,770 | 1.70 |
| Revenue mixed train miles..... | 95,086 | 94,337 | 749 | .79 |
| Revenue special train miles..... | 5,615 | 3,549 | 2,066 | 58.21 |
| Total revenue service train miles..... | 11,116,579 | 10,125,284 | 991,295 | 9.79 |
| Helping and light freight locomotive miles..... | 1,671,507 | 1,516,213 | 155,294 | 10.24 |
| Helping and light passenger locomotive miles..... | 543,399 | 488,881 | 54,518 | 11.15 |
| Helping and light mixed locomotive miles..... | 9,417 | 9,062 | 355 | 3.92 |
| Helping and light special locomotive miles..... | 1,037 | 398 | 639 | 160.55 |
| Total revenue service locomotive miles, excluding switching..... | 13,341,939 | 12,139,838 | 1,202,101 | 9.90 |
| Switching locomotive miles..... | 5,126,100 | 4,412,568 | 713,532 | 16.17 |
| Total revenue service locomotive miles..... | 18,468,039 | 16,552,406 | 1,915,633 | 11.57 |
| Non-revenue service locomotive miles..... | 936,842 | 644,950 | 291,892 | 45.26 |
| Per cent. of helping and light mileage to revenue train mileage..... | 20.02 | 19.90 | .12 | .60 |
| CAR MILEAGE | | | | |
| Freight car miles—loaded..... | 196,327,206 | 168,262,043 | 28,065,163 | 16.68 |
| Freight car miles—empty..... | 90,798,091 | 78,349,519 | 12,448,572 | 15.89 |
| Freight car miles—caboose..... | 7,250,068 | 6,353,559 | 896,509 | 14.11 |
| Total freight car miles..... | 294,375,365 | 252,965,121 | 41,410,244 | 16.37 |
| Average number of loaded freight cars per train..... | 28.12 | 27.99 | .13 | .46 |
| Average number of empty freight cars per train..... | 13.01 | 13.04 | .03 | .23 |
| Average number of all freight cars per train..... | 41.13 | 41.03 | .10 | .24 |
| Per cent. of loaded car mileage to total car mileage..... | 66.69 | 66.52 | .17 | .26 |
| Per cent. of empty car mileage to total car mileage..... | 30.85 | 30.97 | .12 | .39 |
| Per cent. of caboose car mileage to total car mileage..... | 2.46 | 2.51 | .05 | 1.99 |
| Passenger car miles—including Pullman..... | 15,090,098 | 15,068,134 | 21,964 | .15 |
| Baggage, dining, mail, express and milk car miles..... | 17,648,578 | 16,699,540 | 949,038 | 5.68 |
| Total passenger car miles..... | 32,738,676 | 31,767,674 | 971,002 | 3.06 |
| Average number of passenger cars per train..... | 7.93 | 7.73 | .20 | 2.59 |
| Special revenue service car miles..... | 36,010 | 31,182 | 4,828 | 15.48 |
| Non-revenue service car miles..... | 1,009,866 | 717,349 | 292,517 | 40.78 |

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LEHIGH VALLEY RAILROAD COMPANY

Table 11

General Traffic Results for the Years Ended December 31, 1923 and 1922

| | 1923 | 1922 | INCREASE OR Decrease | PER CENT. |
|--|-----------------|-----------------|----------------------------|--------------|
| Average miles of road operated..... | 1,373.72 | 1,373.32 | .40 | .03 |
| FREIGHT TRAFFIC | | | | |
| Tons of revenue freight carried..... | 31,164,643 | 23,071,515 | 8,093,128 | 35.08 |
| Tons of company freight carried..... | 2,803,081 | 2,312,679 | 490,402 | 21.20 |
| Tons of all freight carried..... | 33,967,724 | 25,384,194 | 8,583,530 | 33.81 |
| Tons of revenue coal carried one mile..... | 2,482,541,982 | 1,415,578,323 | 1,066,963,659 | 75.37 |
| Tons of revenue merchandise carried one mile..... | 3,233,942,404 | 3,042,517,496 | 191,424,908 | 6.29 |
| Tons of company freight carried one mile..... | 151,425,442 | 165,570,040 | 14,144,598 | 8.54 |
| Tons of all freight carried one mile..... | 5,867,909,828 | 4,623,665,859 | 1,244,243,969 | 26.91 |
| Tons of revenue freight carried one mile per mile of road..... | 4,161,317 | 3,246,218 | 915,099 | 28.19 |
| Average distance revenue freight carried—in miles..... | 183.43 | 193.23 | 9.80 | 5.07 |
| Revenue from freight..... | \$63,122,821.30 | \$50,612,721.58 | \$12,510,099.72 | 24.72 |
| Average revenue per ton carried..... | \$2.02-546 | \$2.19-373 | \$.16-827 | 7.67 |
| Average revenue per ton per mile—in cents..... | 1.104 | 1.135 | .031 | 2.73 |
| Freight revenue per mile of road operated..... | \$45,950.28 | \$36,854.28 | \$9,096.00 | 24.68 |
| Freight revenue per revenue freight train mile..... | \$9.04-255 | \$8.42-067 | \$.62-188 | 7.39 |
| Tons of revenue freight per revenue freight train..... | 818.91 | 741.71 | 77.20 | 10.41 |
| Tons of all freight per revenue freight train..... | 840.60 | 769.26 | 71.34 | 9.27 |
| Tons of all freight hauled per revenue service locomotive, excluding switching miles | 677.47 | 613.56 | 63.91 | 10.42 |
| Average number of tons of all freight in each loaded car..... | 29.89 | 27.48 | 2.41 | 8.77 |
| PASSENGER TRAFFIC | | | | |
| Revenue passengers carried..... | 4,217,844 | 4,083,610 | 134,234 | 3.29 |
| Revenue passengers carried one mile..... | 232,363,980 | 218,630,400 | 13,733,580 | 6.28 |
| Revenue passengers carried one mile per mile of road..... | 169,149 | 159,198 | 9,951 | 6.25 |
| Average distance carried—in miles..... | 55.09 | 53.54 | 1.55 | 2.90 |
| Revenue from passengers..... | \$7,406,345.92 | \$7,022,954.06 | \$383,391.86 | 5.46 |
| Average revenue per passenger—in cents..... | 175.596 | 171.979 | 3.617 | 2.10 |
| Average revenue per passenger per mile—in cents..... | 3.187 | 3.212 | .025 | .78 |
| Average revenue from passengers per passenger train mile (excluding milk and express)..... | \$2.29-019 | \$2.17-414 | \$.11-605 | 5.34 |
| Passenger service train revenue..... | \$10,876,780.20 | \$10,265,564.77 | \$611,215.43 | 5.95 |
| Passenger service train revenue per mile of road..... | \$7,917.76 | \$7,475.00 | \$442.76 | 5.92 |
| Passenger service train revenue per train mile (including milk and express) | \$2.60-343 | \$2.46-865 | \$.13-478 | 5.46 |
| Average revenue passengers per car..... | 15 | 15 | ..... | ..... |
| Average revenue passengers per train (including mixed)..... | 72 | 68 | 4 | 5.88 |
| REVENUES AND EXPENSES | | | | |
| Freight and passenger revenue..... | \$70,529,167.22 | \$57,635,675.64 | \$12,893,491.58 | 22.37 |
| Freight and passenger revenue per mile of road..... | \$51,341.73 | \$41,968.13 | \$9,373.60 | 22.34 |
| Total operating revenues..... | \$75,935,153.71 | \$62,418,889.12 | \$13,516,264.59 | 21.65 |
| Total operating revenues per mile of road..... | \$55,277.02 | \$45,451.09 | \$9,825.93 | 21.62 |
| Operating expenses..... | \$66,754,214.46 | \$59,023,940.43 | \$7,730,274.03 | 13.10 |
| Ratio of operating expenses to operating revenues..... | 87.91% | 94.56% | 6.65% | 7.03 |
| Operating expenses per mile of road..... | \$48,593.75 | \$42,979.02 | \$5,614.73 | 13.06 |
| Net operating revenue..... | \$9,180,939.25 | \$3,394,948.69 | \$5,785,990.56 | 170.43 |
| Net operating revenue per mile of road..... | \$6,683.27 | \$2,472.07 | \$4,211.20 | 170.35 |

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LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1923 and 1922

Table 12

| COMMODITY | 1923 | | 1922 | |
|---|------------|-----------|------------|-----------|
| | TONS | PER CENT. | TONS | PER CENT. |
| PRODUCTS OF AGRICULTURE: | | | | |
| Wheat | 592,778 | 1.90 | 706,263 | 3.06 |
| Corn | 216,546 | .70 | 394,489 | 1.71 |
| Oats | 159,039 | .51 | 307,996 | 1.33 |
| Other grain..... | 101,053 | .32 | 179,116 | .78 |
| Flour and meal..... | 773,797 | 2.48 | 940,161 | 4.07 |
| Other mill products..... | 299,528 | .96 | 287,144 | 1.24 |
| Hay, straw and alfalfa..... | 239,061 | .77 | 225,768 | .93 |
| Tobacco | 4,662 | .02 | 6,668 | .02 |
| Cotton | 8,009 | .03 | 13,035 | .06 |
| Cotton seed and products, except oil..... | 1,074 | .00 | 1,282 | .01 |
| Citrus fruits..... | 14,480 | .05 | 7,246 | .03 |
| Other fresh fruits..... | 62,770 | .20 | 76,267 | .33 |
| Potatoes | 56,352 | .18 | 53,641 | .23 |
| Other fresh vegetables..... | 40,063 | .13 | 41,164 | .18 |
| Dried fruits and vegetables..... | 15,240 | .05 | 22,364 | .10 |
| Other products of agriculture..... | 135,025 | .43 | 114,767 | .50 |
| Total | 2,719,477 | 8.73 | 3,377,371 | 14.63 |
| PRODUCTS OF ANIMALS: | | | | |
| Horses and mules..... | 1,120 | .00 | 2,436 | .01 |
| Cattle and calves..... | 25,243 | .08 | 23,630 | .10 |
| Sheep and goats..... | 1,809 | .01 | 3,664 | .02 |
| Hogs | 29,466 | .09 | 27,543 | .12 |
| Fresh meats..... | 95,414 | .31 | 154,156 | .67 |
| Other packing-house products..... | 113,528 | .36 | 125,883 | .54 |
| Poultry | 10,822 | .04 | 15,708 | .07 |
| Eggs | 22,812 | .07 | 36,407 | .16 |
| Butter and cheese..... | 33,903 | .11 | 43,889 | .19 |
| Wool | 4,524 | .01 | 10,912 | .05 |
| Hides and leather..... | 39,973 | .13 | 44,868 | .19 |
| Other products of animals..... | 6,198 | .02 | 18,376 | .08 |
| Total | 384,812 | 1.23 | 507,472 | 2.20 |
| PRODUCTS OF MINES: | | | | |
| Anthracite coal..... | 13,903,038 | 44.61 | 7,931,540 | 34.38 |
| Bituminous coal..... | 2,404,327 | 7.71 | 1,848,877 | 8.01 |
| Coke | 199,020 | .64 | 170,392 | .74 |
| Iron ore..... | 1,156,163 | 3.71 | 585,391 | 2.54 |
| Other ores and concentrates..... | 74,053 | .24 | 51,699 | .22 |
| Base bullion and matte..... | 14,247 | .05 | 22,070 | .10 |
| Clay, gravel, sand and stone..... | 1,103,522 | 3.54 | 1,131,556 | 4.90 |
| Crude petroleum..... | 1,181 | .00 | 538 | .00 |
| Asphaltum | 118,439 | .38 | 139,848 | .61 |
| Salt | 311,182 | 1.00 | 282,183 | 1.22 |
| Other products of mines..... | 14,752 | .05 | 15,272 | .07 |
| Total | 19,299,924 | 61.93 | 12,179,366 | 52.79 |

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LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1923 and 1922, Continued

Table 12

| COMMODITY | 1923 | | 1922 | |
|--|------------|-----------|------------|-----------|
| | TONS | PER CENT. | TONS | PER CENT. |
| PRODUCTS OF FORESTS: | | | | |
| Logs, posts, poles and cord wood..... | 169,861 | .55 | 80,594 | .35 |
| Ties | 11,859 | .04 | 21,332 | .09 |
| Pulp wood..... | 529 | .00 | 1,125 | .01 |
| Lumber, timber, box shooks, staves and headings..... | 480,453 | 1.54 | 415,149 | 1.80 |
| Other products of forests..... | 38,299 | .12 | 42,075 | .18 |
| Total | 701,001 | 2.25 | 560,275 | 2.43 |
| MANUFACTURES AND MISCELLANEOUS: | | | | |
| Refined petroleum and its products..... | 541,636 | 1.74 | 471,178 | 2.04 |
| Vegetable oils..... | 4,915 | .02 | 7,911 | .03 |
| Sugar, sirup, glucose and molasses..... | 146,765 | .47 | 192,850 | .84 |
| Boats and vessel supplies..... | 81 | .00 | 5,619 | .02 |
| Iron, pig and bloom..... | 252,161 | .81 | 293,937 | 1.27 |
| Rails and fastenings..... | 3,004 | .01 | 28,569 | .12 |
| Bar and sheet iron, structural iron and iron pipe..... | 591,311 | 1.90 | 626,399 | 2.72 |
| Other metals, pig, bar and sheet..... | 72,976 | .23 | 125,752 | .55 |
| Castings, machinery and boilers..... | 56,086 | .18 | 80,935 | .35 |
| Cement | 1,378,827 | 4.42 | 1,080,377 | 4.68 |
| Brick and artificial stone..... | 171,929 | .55 | 119,997 | .52 |
| Lime and plaster..... | 48,930 | .16 | 69,596 | .30 |
| Sewer pipe and drain tile..... | 5,945 | .02 | 12,336 | .06 |
| Agricultural implements and vehicles other than automobile | 23,168 | .08 | 23,996 | .10 |
| Automobiles and autotrucks..... | 259,980 | .83 | 183,645 | .80 |
| Household goods and secondhand furniture..... | 5,646 | .02 | 3,987 | .02 |
| Furniture (new)..... | 14,879 | .05 | 19,703 | .09 |
| Beverages | 14,188 | .05 | 12,455 | .05 |
| Ice | 113,158 | .36 | 117,888 | .51 |
| Fertilizers (all kinds)..... | 44,200 | .14 | 46,602 | .20 |
| Paper, printed matter and books..... | 31,674 | .10 | 80,113 | .35 |
| Chemicals and explosives..... | 243,314 | .78 | 242,692 | 1.05 |
| Textiles | 7,187 | .02 | 14,861 | .07 |
| Canned goods (all canned food products)..... | 101,828 | .33 | 122,875 | .53 |
| Other manufactures and miscellaneous..... | 3,235,409 | 10.38 | 1,808,669 | 7.84 |
| Total | 7,369,197 | 23.65 | 5,792,942 | 25.11 |
| Grand Total, Carload Traffic..... | 30,474,411 | 97.79 | 22,417,426 | 97.16 |
| Merchandise—All L. C. L. freight..... | 690,232 | 2.21 | 654,089 | 2.84 |
| Grand Total, Carload and L. C. L. Traffic..... | 31,164,643 | 100.00 | 23,071,515 | 100.00 |

LEHIGH VALLEY RAILROAD COMPANY

GENERAL REMARKS TO OWNERS OF RAILROAD SECURITIES

The railroad situation, from the standpoint of owners of railroad securities, continues to warrant the closest attention. The year 1923, generally speaking, was the most successful the transportation companies have experienced in many years. Business was good almost continuously and it was handled efficiently without car shortage, congestion or other difficulty. All signs point to the conclusion that the carriers slowly but surely are recovering from the effects of the war, Federal operation and the labor difficulties of 1922.

**Legislative
Situation
Is Menacing.**

Unfortunately, however, the prospects for the future are not so bright as this would indicate. Despite the widespread plea for a legislative holiday for the carriers, the session of Congress starting in December brought a large number of bills and resolutions which, if passed, will seriously affect the welfare of the railroads. Adherents of Government ownership or operation have presented several bills. Others are proposing laws under which freight and passenger rates would be made by Congress, thus taking present powers from the Interstate Commerce Commission, which has exercised jurisdiction over this important and intricate subject for many years. Political considerations appear to some to be paramount to the necessity of providing adequate transportation service.

The legislative situation obviously has not helped the credit of the railways and should many of the proposed laws be enacted, the prospects for necessary expansion and development of our National transportation system to meet the constantly growing needs of business are not brightened. Competent authorities figure that to keep abreast of the commercial growth of the nation the railroads must raise at least eight billion dollars in new capital in the next ten years. The present volume of earnings and the experience of recent years clearly indicate that the railroads will be able to raise only a small part of this amount through the sale of new stock. As a matter of fact, practically all railroad capital must now be raised through the sale of bonds. With constantly increasing difficulties in the credit situation the limit of the burden of indebtedness they can carry successfully must soon be reached. The situation, however, serious as it undoubtedly is, is by no means hopeless. More and more the people are coming to realize the vital importance to the country of an efficient transportation system and that this is possible only through a square deal to the railroads. The spirit of fair play has never failed in America and it seems certain that present conditions will in time be corrected.

**Taxes Costing
Roads Million
Dollars a Day.**

Almost as important to the future prosperity of the railroads as a rest from legislative regulation and restriction is the necessity of relief from the steadily increasing burden of taxation. All business, of course, suffers heavily from the expense of government—National, State and local—but the situation of the railroads is even more difficult. Not only are they subject to the taxes imposed on all business enterprise, but they must pay these taxes from earnings which more and more are subject to regulation by Government authority. Freight and passenger rates are always under Government review and wages paid employes are regulated to a considerable extent by a Government tribunal. In addition, one-half of all earnings above 6% on the value of the properties used in transportation service are payable to the Government.

Taxes at the close of the year were costing the railroads of the country a million dollars a day and were in excess of the dividends paid by the carriers to their owners. Since 1913 taxes have increased 160% while dividends have actually decreased 10%.

The cost of operating a railroad has increased more than 100% in the last ten years, while the public is paying only 50% more for the service it is receiving. Despite this fact, there is a steady campaign for large reductions in freight rates, to aid various other industries suffering from economic conditions for which the railroads can in no way be held to blame. Such rate reductions, it has been demonstrated, would be of no material help to shippers, but would prove disastrous to the carriers.

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LEHIGH VALLEY RAILROAD COMPANY

**Need Public's
Co-operation to
Solve Problems.**

The past year has demonstrated conclusively that every citizen should overlook no opportunity to let the Senator or Congressman representing him at Washington know how he feels on matters of public interest. Owners of railroad securities have a positive duty in this respect. The supporters of measures looking to Government ownership of railroads or other bills calculated to hamper or destroy the efficiency of the carriers are exceedingly active. It is to be hoped that all owners of railway stocks and bonds will do their utmost to arouse public sentiment in favor of a sane treatment of their properties in the interest alike of the owners and users of our transportation facilities, and in order that these tremendously important properties may not be wrecked by experiments with those theories which have failed so utterly in other countries.

E. E. LOOMIS,
President.







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